
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jerry J. Guillot.

DIGEST

Present law, relative to local sales and use taxes, requires that a credit against sales and use tax imposed by any taxing authority of the state be granted to a taxpayer who paid monies, whether or not paid in error, absent bad faith, based upon a similar tax, levy, or assessment upon the same tangible personal property in a taxing jurisdiction of this state or another state. Provides that the credit is applicable only when a similar taxing authority is seeking to impose and collect a similar tax, levy, or assessment from a taxpayer upon the same tangible personal property for which the taxpayer has paid a similar tax, levy, or assessment to a similar taxing authority.

Proposed law provides that the credit is applicable when a taxing authority in this state is seeking to impose and collect a similar tax, levy, or assessment from a taxpayer upon the same tangible personal property for which the taxpayer has paid a similar tax, levy, or assessment to another state or other taxing authority.

Present law provides a taxing authority shall give credit against the use taxes due on the importation of a vehicle for taxes paid in another state where the vehicle was previously purchased and titled, regardless of the authority's similarity to jurisdictions in the other state to which the sales or use taxes were paid. With respect to vehicles, the credit shall be calculated by multiplying the rate of the sales or use tax paid in the other state by the cost price that is subject to the authority's use tax at the time of the importation of the vehicle. The credits against state and local use taxes shall be applied together against the state and local taxes due on the use of a motor vehicle, automobile, motorcycle, truck, truck-tractor, trailer, semitrailer, motor bus, house trailer, or any other vehicle subject to the vehicle registration license tax, so that the applicant for title or registration in Louisiana of a vehicle that the applicant previously purchased and titled in another state is allowed credit against the state and local use taxes imposed in Louisiana for the full rate of sales or use tax paid in the other state.

Proposed law requires that a taxing authority give credit against the use taxes due on the importation of a vehicle for taxes paid in another state to the state or other taxing authority in that state where the vehicle was previously purchased and titled, less the credit given by this state for sales tax paid in another state, regardless of the authority's similarity to jurisdictions in the other state to which the sales or use taxes were paid. With respect to vehicles, the credit shall be calculated by multiplying the rate of the sales or use tax paid in the other state by the cost price that is subject to the authority's use tax at the time of the importation of the vehicle, less the credit given by this state for sales tax paid in another state.

Present law provides that the credit for monies paid to a taxing authority of another state be granted only in the case where such authority of another state to which monies have been paid grants a similar credit.

Proposed law provides that the credit for monies paid to another state or other taxing authority of another state be granted only in the case where such state or authority of another state to which monies have been paid grants a similar credit.

Proposed law otherwise retains present law.

Effective January 1, 2013.

(Amends R.S. 47:337.86(A) and (B)(1))